

INTERDEPARTMENTAL ACCOUNTS

INTERDEPARTMENTAL ACCOUNTS OVERVIEW

The Interdepartmental Accounts provide funds for the cost of certain services which are administered centrally on behalf of all agencies of State government. The programs supported by these funds include property rentals, insurance, utilities, employee benefits such as pensions and health benefits, salary contract funding and a contingency reserve. The fiscal 1999 recommendation totals \$1.3 billion.

The Property Rentals account provides for payment of rents for existing and anticipated leases of offices and other facilities used by State agencies. This account also subsumes lease-purchase rental agreements for buildings whose titles will pass to the State upon the final lease payment. The debt service associated with the State's lease-purchase of facilities acquired or built by authorities such as the New Jersey Building Authority, Sports and Exposition Authority, Mercer County Improvement Authority and the Economic Development Authority or private parties is also included in the Rent Account. Properties acquired or built by authorities are not considered as ratable properties and payments in lieu of taxes are also made available through the Rent Account.

The Property Rentals Budget recommendation is an increase of \$31.9 million from fiscal 1998. Driving this increase in the area of leasing is \$5.4 million in costs for new space attributable to expanding programs, and \$2.2 million in costs for consolidation efforts. Other increases include \$21.7 million for the New Jersey Building Authority for debt service costs and a \$3.0 million increase in debt service for the Economic Development Authority. Offsetting these increases is a \$898,000 decrease in other debt service leases and tax payments.

The Insurance and Other Services Account includes funding for insurance premiums for property, casualty, and special insurance policies for the State of New Jersey. The insurance policies provided include various items such as coverage to insure against loss to State-owned real and personal property, boilers and machinery, fine arts and liability. The insurance accounts also provide self-insurance funds to cover claims that may be brought against a State entity as a result of negligence resulting in injury or death to a person or damage to or loss of property (Tort Claims Liability), employees' medical costs (Workers' Compensation), vehicle liability claims for property damage and for injuries resulting from the negligent operation of a State vehicle by its employees (Vehicle Claims Liability), payment of losses within the deductible areas of primary insurance coverage (Self-Insurance Deductible), and payment of claims and expenses arising out of the operation of the Foster Parent Program (Self-Insurance Fund-Foster Parents).

The fiscal 1999 recommendation for Insurance and Other Services is a decrease of \$4.2 million from fiscal 1998. The majority of this decrease, \$2.1 million is in Workers' Compensation funding. Savings are anticipated from continued effective medical management of claims and the implementation of a coordinated program for the control of workplace injuries through a statewide safety initiative. Also, contributing to the decrease are reductions of \$1.5 million in Vehicle Claims Liability and \$630,000 in property premium costs.

The Utilities and Other Services account funds the fuel, utility, janitorial and trash removal costs for the Capitol Complex facilities and the Camden Aquarium. The fiscal 1999 recommendation is an increase of \$16.9 million from fiscal 1998. An amount of \$15 million is recommended for operating expenses of the Sports and Exposition Authority. An increase of \$2.3 million is necessary for management agreements for buildings that will be fully occupied in fiscal 1999. Offsetting this increase, is a decrease of \$450,000 to the State in electric costs from the increased competition engendered by the de-regulation of electricity.

This Budget recommendation also assumes savings from the Green Lights Program which entails the sale of bonds by the Economic Development Authority to provide funding for the installation of energy efficient lighting, fans and motors in State and lease-purchase facilities. Projects eligible for funding under this program must demonstrate pay back of energy savings. Debt service payments to support this bond sale are made through the Property Rentals Budget. The utility companies will provide the State with incentive payments (standard offer payments) in fiscal 1999. These payments will be made available to the utility account through appropriation language.

The Employee Benefits Budget of \$786.4 million funds a variety of pension accounts, health benefits accounts, Social Security Tax, and unemployment and temporary disability insurance accounts. These accounts have been adjusted for the block grant the State proposes to make available to the New Jersey public colleges and universities. This grant will provide continued funding for all employee benefits previously paid for by the State. Fiscal 1997 and 1998 financial information has been adjusted to reflect the impact this grant would have had if it had been in place during these years and to allow for comparability.

For the seven State retirement systems and other special retirement acts the recommendation is \$122.8 million, or \$76 million below the fiscal 1998 appropriation. This reduction is due, in part, to bonding of unfunded pension liabilities and the application of pension fund surpluses to reduce the State's contribution based upon the fiscal 1997 State Pension Security Plan. The fiscal 1999 recommendation of \$405.1 million for health benefits includes medical insurance, prescription drugs, dental insurance and

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vision care. This recommendation represents a \$112.8 million increase over the fiscal 1998 appropriation primarily due to surplus offsets that were available to reduce the State's contribution in 1998. The recommendation of \$257 million for Employer Taxes includes \$243.8 million for Social Security Tax, \$7.4 million for unemployment insurance, and \$5.8 million for temporary disability insurance. The fiscal 1999 budget for employee benefits also includes \$1.5 million in fringe benefit costs relating to various agency initiatives.

In addition, the State appropriates funds for several other interdepartmental needs. These needs include \$15.3 million for the statewide 911 emergency telephone system, and \$33.9 million for the Year 2000 changes related to departmental information processing systems, OTIS maintained systems, telecommunication and building facilities. The remaining interdepartmental needs for fiscal 1999 include \$5.0 million for the centralized automated revenue interface for the procurement process, \$4.0 million to implement a seamless solution for statewide efficiency and effective management of human resource information and \$12.6 million for several smaller programs that cross interdepartmental areas.

Finally, \$96.3 million is recommended to support the bargaining agreements with the employee unions. The recommendation for salary increases and other benefits does not include funding for higher education senior public institutions. This Budget also includes continuation funding of \$4.5 million for unused accumulated sick leave payments. An offsetting reduction of \$12.2 million will be achieved through a variety of statewide efficiency initiatives. Hence, the fiscal 1999 Budget recommends a net of \$88.6 million for employee salary increases and other benefits.

SUMMARY OF APPROPRIATIONS BY PROGRAM (thousands of dollars)

Year Ending June 30, 1997					Year Ending June 30, 1999		
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	1998 Adjusted Approp.	Requested	Recommended
					General Government Services		
219,354	3,364	—	222,718	220,486	213,388	245,320	245,320
56,106	453	—	56,559	56,029	49,656	45,426	45,426
930,357	12,951	13,431	956,739	763,553	764,704	786,387	786,387
33,160	880	-3,110	30,930	28,036	63,385	70,840	70,840
3,842	—	1,019	4,861	4,861	4,500	88,634	88,634
21,095	67	—	21,162	21,166	22,424	39,274	39,274
1,263,914	17,715	11,340	1,292,969	1,094,131	1,118,057	1,275,881	1,275,881
					Total Appropriation		

70. GOVERNMENT DIRECTION, MANAGEMENT AND CONTROL

74. GENERAL GOVERNMENT SERVICES

OBJECTIVES

1. To provide pooled funds for the costs of certain services which are managed centrally for or on behalf of all agencies of State government.
2. To provide pooled contingency reserve funds to cover certain emergency situations and probable cost increases for various utilities and common services which cannot be predicted with reasonable certainty.
3. To provide pooled funds for salary adjustments and other salary and compensation benefits for State employees.

PROGRAM CLASSIFICATIONS

01. **Property Rentals.** Provides for payment by the Department of the Treasury of rents for office space and other premises for State agencies, whose operations are financed from the General Fund appropriations. This account also functions as a clearing account for payment of rents for agencies financed from other than General Fund sources, which amounts are shown as a deduction from the gross rent recommendation.
02. **Insurance and Other Services.** Provides funds to pay all central insurance premium costs and to cover the State's liability in tort and its statutory duty to indemnify its employees for adverse judgments in all instances where the State is self insured. This account also provides the self-insurance funds to pay losses which fall within the deductible areas of property insurance coverage and other insurance claims.
03. **Employee Benefits.** Provides funds for the following classes of employees: (1) Heath Act pensioners (RS 43:5-1 et seq.), consisting of persons employed by the State as of January, 1921; (2) Veterans' Act pensioners (RS 43:4-1 et seq.); (3) Miscellaneous Special Pension Acts, in accordance with various State laws authorizing payments to designated individuals; (4) Annuity for Widows of Governors (RS 43:8-2); (5) Judicial pensioners (C43:6-6.4 et seq.); (6) Prison officers (C43:7-7 et seq.) whose funds are administered by a commission of five members including an appointee of the Governor, and the State Treasurer; (7) Public Employees (C43:15A-1 et seq.), whose funds are administered by a board of nine trustees, including municipal and county representation, two appointees of the Governor, and the State Treasurer; (8) State Police (C53:5A-1 et seq.), whose funds are administered by a board of five trustees including two active members of the system, two appointees of the Governor, and the State Treasurer, ex officio; (9) and the pension and the non-contributory group life insurance payments to be made by the State on behalf of those members of the Teachers' Pension and Annuity Fund, not employees of school districts, employed by the State Department of Education. Funds are also provided for the payments for non-contributory group life insurance covering employees of the State and other participating employers in the retirement system (C43:15A-1 et seq.); the State's share of Social Security Tax (C43:22-1 et seq.); Pension Adjustment Act (C3:3B-1 et seq.) providing increases in benefits payable to members of State retirement systems; and the employer's share of health benefits charges for State employees enrolled in the public and school employees' health benefits program. Under C52:14-17.25 et seq., the administration of this program was transferred to the Division of Pensions and Benefits.

The Alternate Benefit Program was established (NJS 18A:64C-11.1, NJS 18A:65-74 and C18A:66-130), for faculty and

staff members at the University of Medicine and Dentistry of New Jersey; Rutgers, The State University; the New Jersey Institute of Technology; and the State Colleges. The employer contribution for State employees who are members of this retirement program is included in this budget.

The State Employee Health Benefits Program (C52:14-17.25 et seq.) provides health insurance for State employees and their dependents through a traditional plan or a managed care health plan.

The Division of Pensions and Benefits coordinates payment of temporary disability insurance benefits to State employees (C43:21-46). Temporary cash benefits are provided to eligible State employees covered under Federal law to insure against loss of earnings due to non-occupational sickness or accident.

All individuals in the employ of the State of New Jersey or an instrumentality of the State, with respect to service performed after December 31, 1971 for a hospital or institution of higher education are covered under the Unemployment Compensation Law (RS 43:21-1 et seq., as amended by PL 1971, c. 346). Any political subdivision of the State may elect to cover individuals employed by the subdivision in all of the hospitals and institutions of higher education operated by that political subdivision. Benefits paid based on wages earned in the employ of the State or of a political subdivision are financed by payments in lieu of employer contributions to the Unemployment Compensation Fund. All covered State employees are required to contribute each year to the Fund in accordance with the established rate. Benefits under the unemployment compensation program are payable in accordance with the provisions of the Unemployment Compensation Law.

The New Jersey State Prescription Drug Program (C52:14-17.29) helps meet the cost of drugs prescribed for eligible employees and their dependents for use outside of hospitals, nursing homes or other institutions. Included are those drugs which, as required by Federal law, can be dispensed only upon a written prescription order by a physician. The program covers the full cost of a prescription item dispensed by a licensed participating pharmacy, less a co-payment charge for each eligible prescription and prescription refill, with no co-pay for mail order. The co-payment charge is dependent upon whether the employee chooses a prescription which is generic or non-generic. All full time State employees are eligible to enroll for coverage in the Program without cost to the employee.

04. **Other Interdepartmental.** Provides funds for allotment by the Director of the Division of Budget and Accounting to various departments or agencies of State government for meeting emergency conditions, and for a number of other contingencies which cannot be predicted with sufficient certainty to be included within the budget recommendations of individual departments or agencies. Included are the Governor's Emergency Fund, the premium portion of required payments for short term notes, seed money to implement cost saving processes, the 911 emergency telephone payments, and other productivity improvements as appropriate.
05. **Salary Increases and Other Benefits.** Includes funds to be allotted to the various State departments or agencies for the cost of general and special salary adjustments and unused accumulated sick leave.
06. **Utilities and Other Services.** Provides for payment of fuel, utilities, janitorial services, and trash removal for State-owned and lease-purchase facilities primarily in the Capitol district.

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APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 1997					Year Ending June 30, 1999				
Orig. & (S)Supplemental	Reapp. & (R)Repts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	1998 Adjusted Approp.	Requested	Recommended	
Distribution by Program									
219,354	3,364	—	222,718	220,486	01	213,388	245,320	245,320	
56,106	453	—	56,559	56,029	02	49,656	45,426	45,426	
<u>21,095</u>	<u>67</u>	<u>—</u>	<u>21,162</u>	<u>21,166</u>	06	<u>22,424</u>	<u>39,274</u>	<u>39,274</u>	
296,555	3,884	—	300,439	297,681		285,468	330,020	330,020	
Distribution by Account									
Property Rentals:									
147,779	3,364	—	151,143	148,972		137,422			
7,302	—	—	7,302	7,302		2,000 S	147,317	147,317	
20,514	—	—	—	—		7,308	7,316	7,316	
2,359 S	—	—	22,873	22,873		21,014			
32,859	—	—	32,859	32,859		1,573 S	25,568	25,568	
36,386	—	—	36,386	36,325		31,678	33,918	33,918	
13,849	—	—	13,849	13,849		36,370	58,119	58,119	
						14,566	13,668	13,668	
261,048	3,364	—	264,412	262,180		251,931	285,906	285,906	
Less:									
-41,694	—	—	-41,694	-41,694		-38,543	-40,586	-40,586	
219,354	3,364	—	222,718	220,486		213,388	245,320	245,320	
Insurance and Other Services:									
2,195	—	-1,070	1,125	1,119		2,195	1,565	1,565	
811	—	-116	695	472		811	811	811	
225	—	-22	203	203		225	225	225	
—	—	110	110	110		—	—	—	
9,000	—	—	—	—		—	—	—	
7,550 S	—	-110	16,440	16,438		9,000	9,000	9,000	
20,000	—	—	—	—		23,100			
10,000 S	—	2,394	32,394	32,189		8,000 S	29,000	29,000	
5,700	—	-1,000	4,700	4,638		4,200			
500	453	-186	767	756		1,500 S	4,200	4,200	
						500	500	500	
125	—	—	125	104		125	125	125	
56,106	453	—	56,559	56,029		49,656	45,426	45,426	
Utilities and Other Services:									
16,559	67R	420	17,046	17,042		16,125	17,975	17,975	
4,536	—	-420	4,116	4,124		4,799	4,799	4,799	
—	—	—	—	—		1,500	1,500	1,500	
—	—	—	—	—		—	15,000	15,000	
21,095	67	—	21,162	21,166		22,424	39,724	39,724	
OTHER RELATED APPROPRIATIONS									
<u>12,528</u>	<u>6,011</u>	<u>—</u>	<u>18,539</u>	<u>9,571</u>	Total Capital Construction	<u>53,305</u>	<u>76,315</u>	<u>20,915</u>	
309,083	9,895	—	318,978	307,252	Total General Fund	338,773	406,335	350,935	

Notes: (a) The Fiscal Year 1998 appropriation has been increased to reflect a proposed supplemental appropriation.

(b) The Fiscal Year 1999 recommendation for Property Rentals reflects the refinancing of the South Jersey Port Corporation's outstanding debt by the Economic Development Authority pursuant to P.L. 1997 c.150. The prior year information has been adjusted to reflect the movement of State Aid funding from the Department of Commerce and Economic Development.

LANGUAGE RECOMMENDATIONS

The Director of the Division of Budget and Accounting is empowered to allocate to any State agency occupying space in any State-owned building, equitable charges for the rental of such space, to include but not be limited to the costs of operation and maintenance thereof, and the amounts so charged shall be credited to the General Fund; and, to the extent that such charges exceed the amounts appropriated for such purposes to any agency financed from any fund other than the General Fund, the required additional appropriation shall be made out of such other fund.

Receipts derived from direct charges and charges to non-State fund sources are appropriated for the rental of property, including the costs of operation and maintenance of such properties.

Notwithstanding any other provision of law, and except for leases negotiated by the Office of Property Management and subject to the approval or disapproval by the State Leasing and Utilization Committee pursuant to P.L. 1992, c.130 (C.52:18A-191.1 et seq.), and except as hereinafter provided, no lease for the rental of any office or building shall be executed without the prior written consent of the State Treasurer, the Director of the Division of Budget and Accounting, the President of the Senate and the Speaker of the General Assembly.

An amount not to exceed \$3,000,000 shall be appropriated to implement the Facilities Master Plan, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for the Newark Performing Arts Center account shall be used to pay the State's obligations pursuant to a lease with the New Jersey Economic Development Authority for the lease of real property and infrastructure improvements and the Performing Arts Center structure to be constructed thereon purchased by the authority for the State in the city of Newark for the purpose of constructing buildings to comprise a Performing Arts Center. Notwithstanding any other provision of law, the State Treasurer may enter into a lease with the New Jersey Economic Development Authority to lease the real property and improvements thereon purchased or caused to be constructed by the authority for the State in the city of Newark for the Performing Arts Center, subject to the prior written consent of the Director of the Division of Budget and Accounting, the President of the Senate and the Speaker of the General Assembly. Upon the final payment of the State's obligations pursuant to the lease for the real property and infrastructure improvements purchased by the authority, the title to the real property and improvements shall revert to the State. The State may sublease the land and facilities for the purpose of operating, maintaining or financing a Performing Arts Center in Newark. Any sublease for use of land and improvements acquired for the State by the New Jersey Economic Development Authority for the Performing Arts Center shall be subject to the prior written approval of the Director of the Division of Budget and Accounting and the Joint Budget Oversight Committee, or its successor.

There are appropriated from amounts hereinabove for the Economic Development Authority such sums as may be necessary to meet the requirements of the "South Jersey Port Corporation Reserve Fund" under section 14 of P.L. 1968, c.60 (C12:11A-14), the expenditure of which shall be subject to the approval of the Director of the Division of Budget and Accounting.

An amount not to exceed \$3,000,000 shall be appropriated for the costs of security, maintenance, utilities and other operating expenses related to the Marlboro Psychiatric Hospital and North Princeton Developmental Center closure initiatives, subject to the approval of the Director of the Division of Budget and Accounting.

There are appropriated such additional sums as may be required to pay future debt service costs for projects undertaken by the New Jersey Building Authority, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance as of June 30, 1998 in the Master Lease Program Fund is appropriated for the same purpose.

There are appropriated such additional sums as may be required to pay tort claims under N.J.S.A. 59:12-1, as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine.

The funds appropriated to the Tort Claims Liability Fund are available for the payment of claims of a tortious nature, as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine.

The funds appropriated to the Tort Claims Liability Fund are available for the payment of direct costs of legal, administrative, and medical services related to the investigation, mitigation and litigation of tort claims under N.J.S.A. 59:12-1, and claims of a tortious nature, as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine.

The funds appropriated to the Tort Claims Liability Fund are available for the indemnification of pool attorneys engaged by the Public Defender for the defense of indigents.

The funds appropriated to the Tort Claims Liability Fund are available for the indemnification of designated pathologists engaged by the State Medical Examiner.

Notwithstanding any other law to the contrary, claims paid from the Tort Claims Liability Fund on behalf of entities funded, whole or in part, from non-State funds, may be reimbursed from such non-State fund sources as determined by the Director of the Division of Budget and Accounting.

To the extent that sums appropriated to pay Workers' Compensation claims under R.S.34:15-1 et seq., are insufficient, there are appropriated such additional sums as may be required to pay Workers' Compensation claims, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for the Workers' Compensation Self-Insurance Fund under R.S. 34:15-1 is available for the payment of direct costs of legal, investigative, administrative and medical services related to the investigation, mitigation, litigation and administration of claims against the fund, subject to the approval of the Director of the Division of Budget and Accounting.

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Notwithstanding any other law to the contrary, benefits provided to community work experience participants shall be borne by the Work First New Jersey program funded through the Department of Human Services and any costs related to administration, mitigation, litigation and investigation of claims will be reimbursed to the Bureau of Risk Management by the Work First New Jersey Program funded through the Department of Human Services, subject to the approval of the Director of the Division of Budget and Accounting.

To the extent that sums appropriated to pay auto insurance claims are insufficient, there are appropriated such additional sums as may be required to pay auto insurance claims, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for the Vehicle Claims Liability Fund is available for the payment of direct costs of legal, investigative and medical services related to the investigation, mitigation and litigation of claims against the fund.

The unexpended balance as of June 30, 1998 in the Self-Insurance Deductible Fund is appropriated for the same purposes.

The amount appropriated for the Self-Insurance Fund-Foster Parents is available for the payment of direct costs of legal, investigative and medical services related to the investigation, mitigation and litigation of claims against the fund.

The sums hereinabove are available for payment of obligations applicable to prior fiscal years.

There are appropriated out of revenues received from utility companies such sums as may be required for implementation and administration of the Energy Conservation Initiatives Program, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the sums hereinabove for Fuel and Utilities, the Director of the Division of Budget and Accounting shall transfer or credit to this account such sums that accrue from appropriations made to various spending agencies for Fuel and Utilities and Salaries and Wages, to reflect savings associated with the fuel switch and other energy-conservation initiatives.

70. GOVERNMENT DIRECTION, MANAGEMENT AND CONTROL

74. GENERAL GOVERNMENT SERVICES

9410. EMPLOYEE BENEFITS

EVALUATION DATA

	Actual FY 1996	Actual FY 1997	Revised FY 1998	Budget Estimate FY 1999
PROGRAM DATA				
Employee Benefits				
Heath Act Pensioners	1	1	1	1
Veterans' Act Pensioners	8	8	7	7
Judicial Retirement System				
Assets	\$146,698,268	\$306,500,484	\$321,825,508	\$337,916,783
Active Members	412	412	416	420
Pensioners	327	341	355	369
Annual Pensions	\$16,528,694	\$17,496,716	\$18,513,275	\$19,588,897
Prison Officers' Pension Fund				
Assets	\$1,616,785	\$21,296,892	\$20,232,047	\$19,220,445
Pensioners	295	286	276	267
Public Employees' Retirement System				
Assets	\$12,692,587,862	\$19,654,281,986	\$21,619,710,185	\$23,781,681,203
Total Members	366,220	361,053	360,748	360,734
State (Active)	76,911	75,008	74,970	74,933
State (Inactive)	8,973	7,412	7,238	7,068
Local	191,312	186,567	182,313	178,156
Pensioners	89,024	92,066	96,227	100,577
Annual Pensions	\$723,017,310	\$769,936,034	\$827,912,217	\$890,254,007
Lump Sum Death Benefits	\$77,102,949	\$84,084,876	\$87,641,666	\$91,348,909
State Police Retirement System				
Assets	\$855,787,564	\$1,391,560,012	\$1,461,138,012	\$1,534,194,913
Total Members	2,582	2,595	2,607	2,620
Active	2,553	2,574	2,587	2,601
Inactive	29	21	20	19
Pensioners	1,501	1,607	1,687	1,771
Annual Pensions	\$43,251,192	\$48,396,302	\$53,618,263	\$59,403,674
Police and Firemen's Retirement System				
Assets	\$8,245,221,808	\$13,151,203,905	\$14,459,748,694	\$15,898,493,689
Total Members	40,243	41,729	42,690	43,686
State (Active)	6,354	6,862	7,220	7,597

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	Actual FY 1996	Actual FY 1997	Revised FY 1998	Budget Estimate FY 1999
State (Inactive)	281	413	465	524
Local	33,608	34,454	35,005	35,565
Pensioners	19,147	19,902	21,146	22,467
Annual Pensions	\$487,442,506	\$525,647,989	\$597,136,116	\$678,346,628
Lump Sum Death Benefits	\$17,784,921	\$19,522,423	\$21,712,839	\$24,149,019
Alternate Benefits Program				
Total Active Members	13,937	13,981	14,405	14,843
State	11,255	11,264	11,656	12,062
County	2,682	2,717	2,749	2,781
Teachers' Pension and Annuity Fund				
Assets	\$15,198,146,957	\$24,746,484,756	\$27,221,133,232	\$29,943,246,555
Total Members	120,444	121,560	122,709	123,872
State	520	492	462	434
County	91	87	80	74
Local	119,833	120,981	122,167	123,364
Pensioners	43,461	45,009	46,652	48,355
Annual Pensions	\$806,887,655	\$881,863,594	\$973,577,408	\$1,074,829,458
Lump Sum Death Benefits	\$40,658,401	\$49,878,661	\$54,053,505	\$58,577,783
Health Benefits Program				
Covered Members	292,995	258,127	258,500	258,500
State	124,683	124,653	125,000	125,000
Local	168,312	133,474	133,500	133,500

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 1997					Year Ending June 30, 1999				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	1998 Adjusted Approp.	Requested	Recom- mended	
Distribution by Program									
<u>930,357</u>	<u>12,951</u>	<u>13,431</u>	<u>956,739</u>	<u>763,553</u>	Employee Benefits	03	<u>764,704</u>	<u>786,387</u>	<u>786,387</u>
930,357	12,951	13,431	956,739	763,553	Total Appropriation^(a)				
					Distribution by Object				
					Special Purpose:				
107,290	—	2,277	109,567	44,761	Public Employees' Retirement System	03	42,818	42,279	42,279
85,186	—	-2,977	82,209	14,811	Police and Firemen's Retirement System	03	51,903	233	233
23,091	—	—	23,091	23,091	Police and Firemen's Retirement System (P.L. 1979, C. 109)	03	23,986	23,555	23,555
14,011	—	—	14,011	11,052	Alternate Benefits Program - Employer Contributions	03	9,366	644	644
40,814	—	—	40,814	—	State Police Retirement System	03	—	—	—
16,926	—	—	16,926	9,580	Judicial Retirement System	03	13,479	—	—
7,228	—	—	7,228	819	Teachers' Pension and Annuity Fund and Non-Contributory Group Life Ins - State	03	911	1,931	1,931
2,109	—	700	2,809	2,809	Prison Officers' Pension Fund	03	—	—	—
1,631	—	—	1,631	1,511	Pension Adjustment Program	03	1,601	1,619	1,619
200	—	—	200	200	Veterans Act Pensions	03	200	161	161
35	—	—	35	30	PERS Minimum Pension Benefits Act - Pre-1955 Retirees	03	29	22	22
10	—	—	10	10	Heath Act Pensions	03	10	10	10
—	—	—	—	—	Debt Service on Pension Obligation Bonds	03	54,575	52,380	52,380
326,569	2,386	4,175	333,130	332,631	State Employees' Health Benefits	03	333,279	317,372	317,372
—	—	—	—	—	Less Health Benefit Surplus	03	-115,800	—	—

INTERDEPARTMENTAL ACCOUNTS

Year Ending June 30, 1997						Year Ending June 30, 1999			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended		Prog. Class.	1998 Adjusted Approp.	Requested	Recommended
52,200	—	227	52,427	52,423	State Employees' Prescription Drug Program	03	65,236	69,702	69,702
—	—	—	—	—	Less Prescription Drug Surplus	03	-7,600	—	—
14,008	—	1,053	15,061	14,996	State Employees' Dental Program – Shared Cost	03	16,160	17,015	17,015
1,387	—	—	1,387	1,047	State Employees' Vision Care Program	03	1,004	1,000	1,000
232,129	—	3,113	235,242	234,964	Social Security Tax – State	03	261,012	243,750	243,750
8,385	—	-39	8,346	7,029	Temporary Disability Insurance Liability	03	7,926	5,828	5,828
-2,852	10,565	4,902	12,615	11,789	Unemployment Insurance Liability	03	4,609	7,413	7,413
—	—	—	—	—	Fringe Benefit Impact From Agency Initiatives	03	—	1,473	1,473
930,357	12,951	13,431	956,739	763,553	<i>Total Special Purpose</i>		764,704	786,387	786,387

Notes: (a) Beginning in fiscal 1999, the fringe benefits for Senior Public Colleges and Universities are provided directly in the institutional budgets. Fiscal 1997 and 1998 displays have been adjusted to reflect this change.

LANGUAGE RECOMMENDATIONS

There is appropriated a sufficient amount in order that upon application to the Director of the Division of Budget and Accounting, an annuity of \$4,000 shall be paid to the widow or widower of any person, now deceased, who was elected and served as Governor of the State; provided such widow or widower was the spouse of such person for all or part of the period during which he or she served as Governor; and provided further, that this shall not apply to any widow or widower receiving a pension granted under R.S. 43:8-2, and continued by R.S.43:7-1 et seq., R.S.43:8-1 et seq., and R.S.43:8-8 et seq.

Such additional sums as may be required for Social Security Tax may be allotted from the various departmental operating appropriations to this account, as the Director of the Division of Budget and Accounting shall determine.

Such additional sums as may be required for State Employees' Health Benefits may be allotted from the various departmental operating appropriations to this account, as the Director of the Division of Budget and Accounting shall determine.

Of the amounts hereinabove for the Pension Adjustment Act, such sums as are appropriated in advance for increased retirement benefits for local employee members of State-administered retirement systems shall be repaid to the General Treasury upon reimbursement from local public employers.

Such additional sums as may be required for Unemployment Insurance liability are appropriated as the Director of the Division of Budget and Accounting shall determine.

Notwithstanding the provisions of the Pension Adjustment Act, P.L.1985, c.143 (C.43:3B-1 et seq.), pension adjustment benefits for members and beneficiaries of the Consolidated Police and Firemen's Pension Fund shall be paid by the fund. Employer appropriations for these benefits as required under the act shall be paid to the fund.

In addition to the sum hereinabove appropriated to make payments under the State Treasurer's contracts authorized pursuant to section 6 of P.L.1997, c.114 (C.34:1B-7.50), there are appropriated such other sums as the Director of the Division of Budget and Accounting shall determine are required to pay all amounts due from the State pursuant to such contracts.

70. GOVERNMENT DIRECTION, MANAGEMENT AND CONTROL

74. GENERAL GOVERNMENT SERVICES

9420. OTHER INTERDEPARTMENTAL ACCOUNTS

APPROPRIATIONS DATA

(thousands of dollars)

Year Ending June 30, 1997						Year Ending June 30, 1999			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended		Prog. Class.	1998 Adjusted Approp.	Requested	Recommended
33,160	880	-3,110	30,930	28,036	Distribution by Program				
					Other Interdepartmental Accounts	04	63,385	70,840	70,840
33,160	880	-3,110	30,930	28,036	<i>Total Appropriation</i>		63,385	70,840	70,840

INTERDEPARTMENTAL ACCOUNTS

Year Ending June 30, 1997					Year Ending June 30, 1999				
Orig. & (S)Supplemental	Reapp. & (R)Recepts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	1998 Adjusted Approp.	Requested	Recommended	
					Distribution by Object				
					Special Purpose:				
2,000	—	-1,963	37	—	To the Governor, for allotment to the various departments or agencies, to meet any condition of emergency or necessity; provided however, that a sum not in excess of \$5,000 shall be available for the expense of officially receiving dignitaries and for incidental expenses, including lunches for non-salaried board members and others for whom official reception shall be beneficial to the State				
					04	2,000	2,000	2,000	
1,500	—	-1,474	26	—	Contingency Funds				
					04	1,500	1,500	1,500	
15,950 ^S	880	—	17,230	14,763	Interest On Short Term Notes				
600	—	—	600	236	Notes Issuance Expenses – Underwriters Costs				
					04	600	600	600	
110	—	17	127	127	Catastrophic Illness in Children Relief Fund – Employer Contributions				
					04	125	125	125	
—	—	—	—	—	Interest on Interfund Borrowing ^(a)				
					04	25,000 ^S	6,000	6,000	
12,600	—	310	12,910	12,910	Statewide 911 Emergency Telephone System				
					04	18,760	15,315	15,315	
—	—	—	—	—	Year 2000 Data Processing Initiative				
					04	15,000	33,900	33,900	
—	—	—	—	—	Interdepartmental Initiatives				
					04	—	11,000	11,000	
<u>33,160</u>	<u>880</u>	<u>-3,110</u>	<u>30,930</u>	<u>28,036</u>	<i>Total Special Purpose</i>				
						63,385	70,840	70,840	

Notes: (a) The fiscal year 1998 appropriation has been adjusted to reflect a proposed supplemental appropriation.

LANGUAGE RECOMMENDATIONS

Unless otherwise indicated, the above amounts may be allotted by the Director of the Division of Budget and Accounting to the various departments and agencies. The unexpended balance as of June 30, 1998 in the Year 2000 Data Processing Initiative is appropriated for the same purpose.

Notwithstanding the provisions of N.J.S. 2A:153-1 et seq., there is allocated at the discretion of the Governor, an amount up to \$50,000, from the Special Purpose amount appropriated hereinabove to meet any condition of emergency or necessity, as a reward for the capture and return of Joanne Chesimard.

70. GOVERNMENT DIRECTION, MANAGEMENT AND CONTROL

74. GENERAL GOVERNMENT SERVICES

9430. SALARY INCREASES AND OTHER BENEFITS

APPROPRIATIONS DATA

(thousands of dollars)

Year Ending June 30, 1997					Year Ending June 30, 1999				
Orig. & (S)Supplemental	Reapp. & (R)Recepts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	1998 Adjusted Approp.	Requested	Recommended	
					Distribution by Program				
3,842	—	-1,019	4,861	4,861	Salary Increases and Other Benefits				
					05	4,500	88,634	88,634	
3,842	—	1,019	4,861	4,861	<i>Total Appropriation</i>				
						4,500	88,634	88,634	
					Distribution by Object				
					Special Purpose:				
542	—	-542	—	—	Salary Increases and Other Benefits				
					05	—	96,294	96,294	
3,300	—	1,561	4,861	4,861	Unused Accumulated Sick Leave Payments				
					05	4,500	4,500	4,500	

INTERDEPARTMENTAL ACCOUNTS

Year Ending June 30, 1997						Year Ending June 30, 1999			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended		Prog. Class.	1998 Adjusted Approp.	Requested	Recommended
3,842	—	1,019	4,861	4,861	Statewide Efficiency Initiatives	05	—	-12,160	-12,160
					Total Special Purpose		4,500	88,634	88,634

LANGUAGE RECOMMENDATIONS

The sums hereinabove appropriated to the various State departments, agencies or commissions for the cost of salaries, wages, or other benefits shall be allotted as the Director of the Division of Budget and Accounting shall determine.

Notwithstanding the provisions of any other laws, including R.S.34:15-49 and section 1 of P.L.1981, c.353 (C.34:15-49.1), the State Treasurer, the Commissioner of Personnel, and the Director of the Division of Budget and Accounting shall establish directives governing salary ranges and rates of pay, including salary increases. The implementation of such directives shall be made effective at the first full pay period of Fiscal Year 1999 as determined by such directives, with timely notification of such directives to the Joint Budget Oversight Committee or its successor. Such directives shall not be considered an "administrative rule" or "rule" within the meaning of subsection (e) of section 2 of P.L.1968, c.410 (C.52:14B-2), but shall be considered exempt under paragraphs (1) and (2) of subsection (e) of section 2 of P.L.1968, c.410 (C.52:14B-2), and shall not be subject to the "Administrative Procedure Act" P.L.1968, c.410 (C.52:14B-1 et seq.). Nothing herein shall be construed as applicable to the Presidents of the State Colleges, Rutgers, The State University, the University of Medicine and Dentistry of New Jersey and the New Jersey Institute of Technology.

No salary range or rate of pay shall be increased or paid in any State department, agency, or commission without the approval of the Director of the Division of Budget and Accounting. Nothing herein shall be construed as applicable to unclassified personnel of the Legislative Branch, or the unclassified personnel of the Judicial Branch.

In addition to the amount hereinabove for Unused Accumulated Sick Leave Payments, there are appropriated such additional sums as may be necessary for payments of unused accumulated sick leave.

Any sums appropriated for Salary Increases and Other Benefits shall be made available for any person holding State office, position or employment, whose compensation is paid directly or indirectly, in whole or in part, from State funds, including any person holding office, position or employment under the Palisades Interstate Park Commission.

The Director of the Division of Budget and Accounting shall transfer from departmental accounts and credit to the Salary Increases and Other Benefits account a sum of \$12,160,000 from appropriations made to various spending agencies to reflect savings as a result of statewide efficiency initiatives. This additional sum is appropriated for Salary Increases and Other Benefits.

1,263,914	17,715	11,340	1,292,969	1,094,131	Total Appropriation, Interdepartmental Accounts		1,118,057	1,275,881	1,275,881
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